

# **EXHIBIT 15**

**In the Matter of**

Case No. 18-cv-05775 (ERK)(TAM)

STAR AUTO SALES OF BAYSIDE, INC., et al.

v.

VOYNOW, BAYARD, WHYTE AND COMPANY LLP, et al.

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**Deposition of Randall Franzen**

*Wednesday, February 15, 2023*

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Reporting  
Company

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UNITED STATES DISTRICT COURT  
EASTERN DISTRICT OF NEW YORK

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STAR AUTO SALES OF BAYSIDE, INC.  
(d/b/a STAR TOYOTA OF BAYSIDE),  
STAR AUTO SALES OF QUEENS, LLC  
(d/b/a STAR SUBARU), STAR HYUNDAI  
LLC (d/b/a STAR HYUNDAI), STAR  
NISSAN, INC. (d/b/a STAR NISSAN),  
METRO CHRYSLER PLYMOUTH INC. (d/b/a  
STAR CHRYSLER JEEP DODGE) STAR AUTO  
SALES OF QUEENS COUNTY LLC (d/b/a  
STAR FIAT) and STAR AUTO SALES OF  
QUEENS VILLAGE LLC (d/b/a STAR  
MITSUBISHI),

Plaintiffs,

-against-

VOYNOW, BAYARD, WHYTE AND COMPANY  
LLP, HUGH WHYTE, and RANDALL  
FRANZEN,

Case No.  
18-cv-05775  
(ERK) (TAM)

Defendants.

-----x

February 15, 2023  
10:37 a.m.

Videotaped Deposition of RANDALL  
FRANZEN, taken by Plaintiffs, held at the  
offices of Milman Labuda Law Group PLLC,  
3000 Marcus Avenue, Suite 3W8, Lake Success,  
New York, before Lisa Hiesiger, a Shorthand  
Reporter and Notary Public within and for the  
State of New York.

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2 product out of Voynow, excluding audits,  
3 et cetera?

4 A. Again I don't understand your  
5 question but I'll try to answer what I think  
6 you're asking me. You asked me if I was always a  
7 hundred percent there and I said probably  
8 90 percent of the time. That has nothing to do  
9 with work product. Again the work product could  
10 have been handled by one of the other guys and I  
11 would have been there. So the 90 percent and the  
12 work product are unrelated as to who did what  
13 when. I can't answer that as to percentages on  
14 who did what when.

15 Q. There was something called interim  
16 reports or interim letters that were sent to Star  
17 during the relationship, correct?

18 A. Correct.

19 Q. Ultimately you signed whatever  
20 interim letters there were, you were the one who  
21 signed them, right?

22 A. Incorrect.

23 Q. Someone else signed them?

24 A. Different people had signed them. I  
25 definitely signed some but I did not sign them

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2 different issues on the letters. So when it was  
3 written up it was a follow-up of what we spoke to  
4 them about.

5 Q. Was there any time where you would go  
6 over the entirety of what is contained in the  
7 interim report with particular owners of the  
8 dealership at Star?

9 A. Repeat your question.

10 MR. MULE: Can you read it back,  
11 please.

12 (Record read)

13 A. There were times that we discussed  
14 everything in the letter that was going to with  
15 the dealers. When we could find them and when  
16 they had enough time to sit with us.

17 Q. What happened when they didn't have  
18 enough time to speak with you?

19 A. We would try to raise them on the  
20 telephone, call them, hey, can I speak to, for  
21 example, I would call and get Vivian to call  
22 Michael. Michael, I have some stuff to go over  
23 with you. He would tell me, I'm too busy, I  
24 can't, go over everything with Vivian. He goes,  
25 I trust her with my life, tell Vivian and I'll

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2 Q. So you said you would hear the story  
3 first from someone other than Michael, correct?

4 A. Correct.

5 Q. Who would that be?

6 A. Either Debbie or Vivian.

7 Q. And then when Michael came back, you  
8 would have a discussion with Michael?

9 A. He would tell me the story of what  
10 happened.

11 Q. And if you visited Star approximately  
12 three times a year, would he tell you that in  
13 person the next time you came or would there be  
14 some other way you communicated when he would  
15 tell you the story?

16 A. He would tell me the story probably  
17 the next time I saw him, whenever that was.

18 Q. When Michael was back and the next  
19 time you saw him, did you go over the report with  
20 him then when he was back?

21 A. Depends.

22 Q. Depends on what?

23 A. The mood Michael was in.

24 Q. What about other owners, did you talk  
25 to any of the other owners about the contents of

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2 interim reports?

3 A. Yes.

4 Q. Who did you speak with?

5 A. Steve Koufakis and John Koufakis.

6 Q. Would you discuss the entirety of the  
7 contents of the interim report with Steve?

8 A. Depends.

9 Q. Depends on what?

10 A. How long I could get him to sit  
11 there.

12 Q. Was there ever an occasion where you  
13 were able to discuss the entirety of the interim  
14 report with Steve in person?

15 A. Probably over a two-day span that we  
16 were there, bits and pieces.

17 Q. Over the time period that you were  
18 there, you're talking about while you were there  
19 during an interim visit?

20 A. Correct.

21 Q. So you would be providing him with  
22 information while the visit was going on,  
23 correct?

24 A. Correct.

25 Q. So on an interim visit would you

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2 that you signed a document that states that  
3 you're going to keep your records intact and  
4 you're going to be able to find your records and  
5 have your records. Now that they're destroyed  
6 you have no records. So please get a backup  
7 system. Save the system, do something.

8 Again that went on for years and  
9 nothing ever happened. I understand maybe in '16  
10 Vivian sends me an e-mail back in '16, they  
11 finally, finally agreed to a document management  
12 system.

13 Q. Anything else?

14 A. That's all I can think of right now.

15 Q. On these topics did you personally  
16 review any documents or did you just rely on what  
17 Vivian told you in confronting Mike, Steve,  
18 Junior or taking any steps with respect to these  
19 items?

20 A. Vivian showed me on the cashier, the  
21 cashier theft Vivian showed us the report what  
22 totaled amount on the deposit, she showed me a  
23 deal and where the missing money had come up. On  
24 the hoopty cars she showed me a car too that  
25 happened. I just looked at it, she held it, I



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2 just looked at it and that was it.

3 Q. With respect to taking money out of  
4 sales deposits, what was shown to you?

5 A. She showed me a receipt, money had  
6 come up and here's the receipt and there's no  
7 money to match it.

8 Q. As far as document retention, are you  
9 aware of any documents that were actually  
10 destroyed?

11 A. The books and the records, the  
12 schedules, the journals, the basement was full of  
13 them.

14 Q. Any records destroyed that were  
15 pertinent to IRS audit?

16 A. Books and the records, the journals.

17 Q. And those were destroyed, to your  
18 knowledge?

19 A. To my knowledge they were all  
20 destroyed.

21 Q. And how did you learn that?

22 A. I was told that.

23 Q. By whom?

24 A. By Debbie, Vivian, different people  
25 in the office.

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2 wanted, and they in turn said come these dates or  
3 don't come these dates, whatever it was under  
4 their control as to when we came.

5 Q. Now once you got to the jobsite at  
6 Star, you said that sometimes depending on what  
7 the client wanted, that might dictate who did  
8 what, correct?

9 A. Correct.

10 Q. So when you said depending upon what  
11 the client wanted, did you have any discussions  
12 or typically have discussions with Michael or any  
13 of his brothers as to what they wanted done?

14 A. We could have if available. For  
15 example, Michael could immediately get ahold of  
16 me for estate tax issue, his mom's, you know,  
17 death issues that we had to handle, setting up  
18 the kids' trust, he could do that immediately  
19 when I came in. Junior could call me or  
20 immediately get ahold of me, he's trying to buy  
21 an apartment for his daughter. And Steve would  
22 get ahold of me at different times about he needs  
23 a personal financial statement for him trying to  
24 get an apartment in the city. So different  
25 things could change when we got up there.

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2 Q. And if you were asked to do something  
3 else, would you assign someone else to basically  
4 field questions from staff accountants while you  
5 were handling those issues?

6 A. I didn't understand your question.

7 Q. Did you have someone who was like a  
8 second in command with respect to the interim  
9 visit that you came to Star if you were occupied  
10 answering questions concerning an estate, an  
11 apartment, some other issue?

12 A. Yes, Bob would be there, Rob would be  
13 there, Shawn would be there.

14 Q. Typically would all three of those  
15 persons, or at least until Shawn left Voynow,  
16 would all three of them be present at an interim  
17 visit at Star?

18 A. Most all the time they were present.

19 Q. Would you assign individual staff  
20 accountants to work at particular dealerships or  
21 to do particular jobs at several dealerships at  
22 Star?

23 A. It depends.

24 Q. It depends on what?

25 A. It depends on, for example, if you

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2 were doing the year-end we might have one guy,  
3 one staff accountant do all the fixed assets for  
4 all the dealerships. So it depends on what made  
5 the best use and sense.

6 Q. Now an interim visit, how did it  
7 typically work?

8 A. It could happen that way, one guy  
9 could go through the whole job or one guy could  
10 do a part of the job and the other person help  
11 out and do parts and service receivable schedule  
12 across the board, it depended. Or one person, a  
13 guy did all the contracts in transit for the  
14 dealerships. It depended on the situation in the  
15 day and the staffing.

16 Q. Did you typically make -- have a  
17 preference as far as how you assigned staff?

18 A. Me personally?

19 Q. Yes.

20 A. No. We made sure that the staffing  
21 was done correctly between Bob, myself, Rob and  
22 Shawn.

23 Q. Did you personally assign staff to  
24 do, you know, particular jobs that covered all  
25 the dealerships at Star?

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2 A. Repeat your question.

3 Q. Did you individually assign any staff  
4 at any time to do a particular job such as  
5 looking at contracts in transit for all the  
6 dealerships at Star?

7 A. I don't recall.

8 Q. How was the interim reports, how were  
9 they drafted?

10 A. In a word processor.

11 Q. Not the device used to draft them.  
12 What was the process that was used in drafting an  
13 interim report, would you draft the entire thing  
14 yourself?

15 A. Possibly.

16 Q. Did you get any information from  
17 anyone?

18 A. I got it from the client.

19 Q. Besides getting information --

20 A. Let's go back a step. It's the  
21 client's books and records. I didn't generate  
22 anything, I took their books and records,  
23 inquired with the client as to any tax  
24 adjustments, anything that needs to be written  
25 off, is there any reserves we have to pick up,

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2 and we, you know, checked our estimates, we  
3 checked to find out where we are tax-wise and  
4 where the income was.

5 On those schedules, if we had  
6 schedules we'd sit down with the client  
7 periodically throughout the day and ask  
8 questions, follow up on this. Many times we  
9 handed the schedules back to the client and said,  
10 hey, follow up on these handful of things. We  
11 already made our notes so we gave them back the  
12 schedules on a lot of occasions. So we put our  
13 notes on it and gave it to them. We said here,  
14 here's your own schedules, follow up on them, so  
15 we handed everything back to them and they worked  
16 on it.

17 Q. So as far as drafting the interim  
18 reports, you would take the books and records  
19 from the client, and by books and records, you're  
20 talking about schedules?

21 A. That's one part of it. There's other  
22 books and records.

23 Q. You would take also bank statements?

24 MS. FITZGERALD: Object to form.

25 A. Not in the context you're talking

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2 about, I don't know what you mean by taking bank  
3 statements.

4 Q. You would take possession of, look  
5 at?

6 A. I take the client's books and  
7 records, whatever they would be at that point in  
8 time, whatever the situation was. Whatever they  
9 were. Books and records could be many different  
10 things.

11 Q. It's the words you used?

12 A. What?

13 Q. So what would you use?

14 A. Books and records, there are many  
15 different things.

16 Q. Identify them.

17 A. Car deals.

18 Q. What else?

19 A. Sales tax returns, books and records.  
20 Many different things.

21 Q. So I'm asking you in particular, you  
22 ultimately drafted or signed interim reports, how  
23 were those interim reports drafted? Not a word  
24 processor, what was the process done to draft  
25 those reports?

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2 A. We look at those clients' books and  
3 records.

4 Q. And?

5 A. Mostly schedules and whatever type of  
6 items that came off the schedule.

7 Q. Would particular employees of Voynow  
8 draft parts of the interim report?

9 A. Possibly.

10 Q. You don't know?

11 A. It depends on the time and the  
12 period.

13 Q. So at any time period during Voynow's  
14 relationship with Star -- do you understand the  
15 question?

16 A. No, I'm lost.

17 Q. At any time period during the  
18 relationship between Voynow and Star, did any  
19 Voynow employee participate in writing parts of  
20 the interim statement?

21 A. And the answer is possible.

22 Q. You don't know whether they did or  
23 they didn't, is that your testimony?

24 A. So one person could have written the  
25 parts and service side and another person -- one



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2 person could have worked on parts, one person  
3 could have worked on service, one person could  
4 have worked on the part of the interim tax  
5 letter.

6 Q. What is the interim tax letter, is  
7 that the interim report, is that what you're  
8 referring to?

9 A. The interim reports, the interim tax  
10 letter that's between the two tax periods, that's  
11 the interim period. It gives the letter to the  
12 client to figure out what needs to be written  
13 off, picked up, adjusted and determine where  
14 we're at before the end of the year.

15 Q. What was the purpose of that interim  
16 report or what you call an interim tax letter?

17 A. I just -- do you want to read back  
18 what I just said. I just said that's what it  
19 was.

20 MS. FITZGERALD: Just read back his  
21 answer.

22 (Record read)

23 MS. FITZGERALD: I think he also said  
24 written off.

25 Q. Do you want to amend your testimony?

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2 You're saying it was given to determine what was  
3 picked up, adjusted and what else?

4 A. We're alerting the client in an  
5 interim period, we have tax payments to be made,  
6 we have 6/15 and a 9/15 payment, those payments  
7 are quarterly payments so we need to understand  
8 where the income is at that period of time. So  
9 we're looking at the income.

10 Then we go through the books and the  
11 schedules to see if there's items to be adjusted  
12 off so we could possibly lower the coupons, lower  
13 the tax payments or is there reserves and there's  
14 bigger income on the books that hasn't been  
15 picked up and we need to raise them higher.

16 So the idea of that letter was for  
17 the client to say, hey, here's some stuff that we  
18 spotted, maybe you want to take a look at it, and  
19 these end up will be write-offs by the end of the  
20 year, or they might be income by the end of the  
21 year for the tax return.

22 It's your decision what you want to  
23 do with them. They're your books and records.  
24 We have no control, you do what you want, but  
25 we're just bringing this to your attention and

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2 you decide how you want to handle it.

3 Q. And you had multiple dealerships that  
4 were clients of Voynow where no interim visits  
5 occurred, is that correct?

6 A. I don't understand your question.

7 Q. It seems like a simple question.

8 A. Ask it again then because I didn't  
9 understand it.

10 Q. Were there a number of clients of  
11 Voynow that were dealerships that were part --  
12 that Voynow had a tax engagement with where there  
13 were no interim visits?

14 A. I can think of maybe possibly one.

15 Q. Possibly one, who?

16 A. Restaurant.

17 Q. I'm talking about a dealership, can  
18 you think of any dealership where there were no  
19 interim visits?

20 A. Most dealerships that I've been  
21 involved in, I definitely make it there for tax  
22 planning issues to understand where we're at  
23 before the end of the year. And every dealership  
24 is different, every dealership has their own  
25 scenario, every dealership has their own tax

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2 rates, every dealership has their own tax areas.  
3 Different states are different, you have to look  
4 at the different rules differently with every  
5 dealership. So you can't sit here and pinhole  
6 one dealership and the other and say they're all  
7 the same, it doesn't work. Just like your kids,  
8 not one kid is the same as your other kid,  
9 everyone is different. So it depends on the  
10 scenario and the relationship and the dealership.

11 Q. I don't know if that answers my  
12 question. Can you identify any dealership that  
13 was a client of Voynow for whom you did not have  
14 interim visits although they were a tax  
15 engagement client?

16 A. I thought I said to you that every  
17 client that I know of that I dealt with, I always  
18 had an interim tax planning visit, on a minimum I  
19 always had one. Because I didn't know where to  
20 go unless I had that visit without understanding  
21 bonuses, year-end numbers and what has to happen  
22 and projections.

23 Q. So for dealerships that were a Voynow  
24 client of which you were a participating  
25 accountant, you always had at least one interim

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2 visit, is that correct?

3 A. That's correct.

4 Q. What month would the visit be, the  
5 same time period, between June and September?

6 A. No, if you're telling me I only did  
7 one, that time period had to be October,  
8 November, December, somewheres in that period.

9 Q. What could you tell me about your  
10 first time meeting Michael Koufakis?

11 A. The first time I met Michael Koufakis  
12 was in December of 1996. I had heard about the  
13 Star group prior to that because Hugh Whyte and  
14 Bob Bayard had gone up to meet Michael on a nasty  
15 tax audit that Michael had a problem with.

16 So they had gone up somewheres in  
17 June of '96. Michael explained the situation.  
18 Hugh said he could handle it. Immediately had  
19 Michael sign a power of attorney, and Hugh in  
20 turn worked on a LIFO situation and met with the  
21 auditor from I think it was Carol Weiner's firm  
22 now that I hear later that had screwed up the  
23 LIFO in the audit process, Hugh got it dropped  
24 down some. So after that got handled, Michael's  
25 called Hugh and asked, I'd like to meet the

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2 people that are going to do my work, my tax work.

3 So myself and Rob Szpanka came up and  
4 met Michael in his office for a brief time, and  
5 from there we went down to 162nd Street, I think  
6 that's the right street, or is it 64th, and met  
7 Vivian and asked us a few questions about  
8 Reynolds. Explained to us that there's all kind  
9 of, you still got all kind of tax issues with New  
10 York that's got to get handled. And very not a  
11 whole lot said and that was about it. It was  
12 more everything was about the tax -- the LIFO  
13 finally got fixed, quizzed us on if we understood  
14 the computer system, told us about John Sharon  
15 calling, John Sharon had recommended us because  
16 we knew enough about the system and told us about  
17 various other tax issues that he's got that's got  
18 to get handled.

19 We left. Then I believe --

20 MS. FITZGERALD: I think you've  
21 answered the question, your first meeting  
22 with Michael.

23 Right, that was the question?

24 MR. MULE: Yes.

25 Q. So you met Michael you said in

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2 December of 1996?

3 A. Correct.

4 Q. With the name I didn't get, Bob?

5 A. Rob Szpanka.

6 Q. How do you spell that?

7 A. S-z-p-a-n-k-a.

8 Q. You said you met Michael for a brief  
9 time, was that at his office?

10 A. At his office.

11 Q. What location?

12 A. Toyota store.

13 Q. Was he seated by his desk when you  
14 met?

15 A. I don't think we even sat in his  
16 office.

17 Q. You were standing?

18 A. Have you been in his office?

19 Q. I'm going to ask the questions. So  
20 were you standing in his office?

21 A. I believe so, yes.

22 Q. Was Rob Szpanka standing?

23 A. Yes.

24 Q. What was Michael doing?

25 A. Walking around and talking.

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2 Q. How long did you meet for  
3 approximately?

4 A. In his office?

5 Q. Yes.

6 A. Could be an hour. It took us a  
7 little while for him to get focused in on us.

8 Q. Then you said you then met Vivian, is  
9 that correct?

10 A. We went down to meet Vivian.

11 Q. You went down where precisely, did  
12 you go to meet Vivian, was she in the same  
13 location or a different location?

14 A. I said 162nd Street.

15 Q. How far away is that from where the  
16 Toyota store was?

17 A. 40 blocks if I do the math.

18 Q. You drove there?

19 A. Correct.

20 Q. Did you drive with --

21 A. No.

22 Q. -- Michael? You drove with Rob  
23 Szpanka?

24 A. Yes.

25 Q. In your own car?



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2 A. Yes.

3 Q. When you got to 162nd Street, where  
4 did you go from there?

5 A. Down in the basement.

6 Q. Why did you go to the basement?

7 A. Where the office was.

8 Q. Who was located there?

9 A. The staff of Nissan.

10 Q. The Nissan staff?

11 A. Correct.

12 Q. You said you met with Vivian?

13 A. We were introduced to Vivian and  
14 spoke to her.

15 Q. And who introduced you to Vivian?

16 A. Michael.

17 Q. So Michael met you at 62nd Street?

18 A. Correct.

19 Q. And he brought you down to the  
20 basement to meet Vivian?

21 A. Correct.

22 Q. Did you meet anyone else while there?

23 A. We met staff to say hello, not  
24 knowing who anybody was.

25 Q. And did you have -- you had

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2 2014, correct?

3 A. Where was it again?

4 Q. In Exhibit 133.

5 A. Okay, go ahead, what about it?

6 Q. Exhibit 133 pertained to the month of  
7 November 2014, the accounts payable schedule,  
8 correct?

9 A. Correct.

10 Q. And looking back at 134, this trend  
11 analysis also covers the year 2014, correct?

12 A. Covers 2014, '13 and '12.

13 Q. So the lines that we were looking at  
14 and the handwriting that goes from November and  
15 says \$35,000, that is referenced or relates to  
16 November, correct?

17 MS. FITZGERALD: Object to form.

18 A. Again I don't understand your  
19 question. The 35, it looks like it relates the  
20 way I read it relating, it looks like from  
21 October to November the inventory has jumped up  
22 approximately \$35,000, and when I look at from  
23 September to October it looks like there's  
24 \$50,000 between somewhere in there, that's what  
25 it looks like to me. There's some comparison

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2 between these numbers here.

3 The same thing, I go down at the  
4 bottom, when I look down at 2013 between the  
5 October/November, it looks like it's 119,000, so  
6 there's some comparison on this sheet that  
7 they're trying to understand on the trend  
8 analysis why inventory is all over the place in  
9 the Star parts department.

10 Now with that being said, the Star  
11 parts department is a serious problem which was  
12 brought up to the Koufakises, we had various  
13 meetings on the parts department and we tried to  
14 get our hands around how parts would be sold.  
15 Then they would come back into the parts  
16 department on the books, they would write them  
17 off and still get the parts back. The  
18 inventories were out of control in the parts  
19 department. We don't know where, who was taking  
20 money, but again we saw crazy receivables.

21 So the Nissan parts department has a  
22 problem and it was brought up to the Koufakises,  
23 we had meetings, we had meetings with Alkarim and  
24 never got anywheres on this. So I can't tell you  
25 what you're looking at, what you're trying to

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2 suggest or the numbers because I don't know.

3 Q. That 35,000 that is above the, for  
4 lack of a better, typed November, do you have any  
5 understanding as to what that number represents?

6 A. It's a comparison between different  
7 inventory levels on the sheet.

8 Q. Do you know which inventory levels  
9 that's a comparison from?

10 A. It looks like you're going from  
11 October to November, some kind of comparison.

12 Q. If you looked at October, it looks  
13 like the October numbers are 677,573 and the  
14 November number is 789,097, is that correct?

15 A. Repeat your question, or repeat your  
16 comment.

17 Q. The number for November 2014 on this  
18 trend analysis is 789,097, correct?

19 A. 789,097, correct.

20 Q. The number for October as you read  
21 this is 677,573, correct?

22 A. Correct.

23 Q. That is far larger than 35,000,  
24 correct?

25 A. Correct. And look at the 50. The 50

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2 you've got to safeguard your records, and saying  
3 that you had a flood twice is not safeguarding  
4 your records. You would be in violation of the  
5 tax code and you could be under penalty. So I  
6 said you've got to get some kind of system in  
7 here to save your records, and this is tax work.

8 Q. You're not aware of any documents  
9 that were necessary for any IRS audit that were  
10 lost, are you?

11 A. I don't even understand your  
12 question.

13 MR. MULE: If you could mark this  
14 131, please.

15 (Exhibit 131, Document containing  
16 July 15, 2014 e-mail, was so marked for  
17 identification, as of this date.)

18 MS. FITZGERALD: Could we take a  
19 quick break?

20 MR. MULE: Can we take it after I  
21 question him about it?

22 MS. FITZGERALD: There's no question  
23 pending, I'd like to take a break.

24 MR. MULE: Can we keep the exhibits  
25 here?

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2 MR. MULE: That's usually not how  
3 depositions occur. When you have an  
4 exhibit that you hand to a witness where  
5 all of a sudden the counsel takes a break  
6 as soon as you hand an exhibit.

7 MS. FITZGERALD: You should tell your  
8 partner because that's what happened  
9 repeatedly when Jackie was deposed last  
10 week.

11 Q. Mr. Franzen, did you take a look at  
12 this July 15, 2014 e-mail?

13 A. Yes.

14 Q. This is, there's an e-mail from your  
15 personal e-mail account to you with a link to a  
16 particular website location, correct?

17 A. Correct.

18 Q. And that link is still alive, it's  
19 not on the produced document, but we were able to  
20 get the link which is the attachment.

21 Do you recall this article and  
22 sending this article to Vivian and Michael?

23 A. After looking at it, yes.

24 Q. And why did you send this?

25 A. Because Star had fraud, had done a

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2 bunch of fraud deals and Michael had explained to  
3 us.

4 Q. What do you mean Star had done a  
5 bunch of fraud deals, what does that mean?

6 A. Michael came to us and told us that  
7 Toyota was buying a bunch of deals, the good, the  
8 bad and the ugly. Michael, to his credit, called  
9 Toyota up and said, hey, we're doing some bad  
10 deals, and Toyota said, well, take the good, the  
11 bad, the ugly.

12 Anyway, make a long story short, I  
13 believe Michael told us that the F&I or one of  
14 the finance people at Toyota got fired and Toyota  
15 was very mad at him and they pulled his floor  
16 plan line. So Michael had to turn around and get  
17 a new floor plan line, and he lost the Toyota  
18 floor plan line, and I believe the fraud deals  
19 that they were doing was at the Chrysler  
20 dealership, which in turn cost his fraud line.

21 So I in turn sent this article  
22 saying, hey, it's still happening, there's still  
23 fraud deals happening out there for business  
24 practices. And when it said New Jersey, New York  
25 dealers, it was more of a reminder, and hopefully

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2 somebody is paying attention to that as a  
3 friendly reminder, just a thought process to  
4 those two. That's what this was about.

5 Q. This was not related to taxes, right?

6 A. I said it was a friendly reminder for  
7 the fraud deals that had to get expensed off the  
8 books at one point in time. It was just a  
9 friendly reminder is what I said.

10 Q. As a friendly reminder it didn't have  
11 to do with taxes, correct?

12 MS. FITZGERALD: Object to form.

13 A. In the past it did do with taxes.

14 Q. In the past?

15 A. In the past, and hopefully if I send  
16 this friendly reminder out that we don't have  
17 write-offs for taxes currently, so in a  
18 roundabout way it has to do with taxes.

19 Q. Are you referring to Toyota, the  
20 bank?

21 A. TMCC.

22 Q. And that TMCC stands for?

23 A. Toyota Motor Credit Corporation.

24 MR. MULE: Can you mark this 121,  
25 please.